

EXHIBIT A

July 22, 1994

Dear Travelers Insurance Company Employee:

You will soon be receiving, through internal mail, the updated Employee Handbook. This revised edition contains important information concerning Travelers policies and practices. You are urged to read the Employee Handbook and keep it at your desk for handy reference.

Our Employee Handbook has traditionally included a number of policies such as Sexual Harassment and Equal Employment Opportunity that have demonstrated our strong commitment to fair and equitable employment practices. In this updated edition, that tradition continues with new policies on Family and Medical leaves of absence, a new employee "800 hot line" and the addition of business and personal ethical standards of conduct in a new "Statement of Business Practices."

Also included in the updated handbook are important improvements to our existing dispute resolution procedures and the adoption of a binding arbitration process. Travelers was one of the first insurance companies to adopt an internal procedure to ensure that all employees had an avenue to communicate and resolve employment concerns. Travelers is now also one of the first insurance companies to provide employees neutral, binding arbitration as a condition of employment. Both of these procedures are covered completely in the Employee Handbook. Please read them carefully and ask your Manager, Human Resources Representative or Employee Relations if you have any questions.

These procedures allow you to seek review of decisions regarding your employment or termination of your employment that you think are unfair. First, you are encouraged to informally discuss any concern you have with your immediate manager. It is our expectation that all employees will be candid about any employment concerns and raise them promptly with their manager or Human Resources Representative. If this informal discussion is not successful, you can refer your concern to the Internal Dispute Resolution process. This procedure provides you with the opportunity to formally present and to receive prompt attention to your concerns.

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Second, in the unusual situation when the internal procedure does not fully resolve an employment related dispute, the Company and you agree that within one year of the date a dispute arose, any remaining issues will be submitted to binding arbitration by an independent arbitrator affiliated with the American Arbitration Association. Arbitration will be conducted in accordance with the Employment Dispute Rules of the American Arbitration Association as modified and expanded by Travelers, Inc., Employment Arbitration Policy. Arbitration is an essential element of your employment relationship and a condition of employment. As previously mentioned these procedures are covered completely in the revised Employee Handbook.

We believe these problem-solving procedures provide several advantages. First, any employment concerns can be addressed through a full range of procedures without fear or reprisal. Second, the expense inherent in external proceedings is minimized. Most importantly, your concerns can be addressed fairly and quickly, without the need for lengthy delays. We believe this process is mutually advantageous for all employees, as well as the Company.

We hope that you find the new Employee Handbook a helpful and informative reference guide.


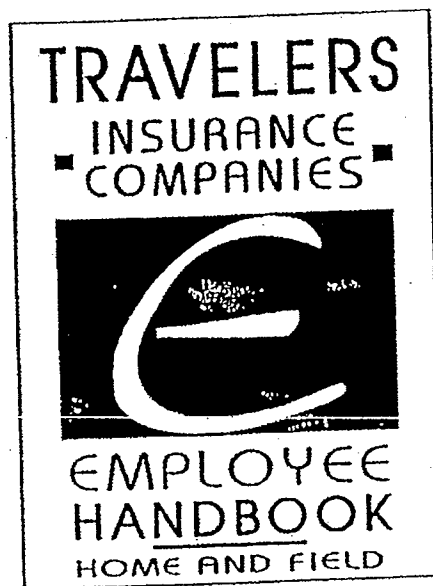

Thomas E. Helfrich

EXHIBIT B



Revised June 1994

Helpful Phone Numbers

Business Travel Services
(Home Office):
Phone: (203) 277-2713
American Express: 1-800-528-2122
Conference Services:
(203) 277-3144
Expense Questions:
(203) 277-5081
Travel Services: (203) 277-5893

Computers:
Information Systems Security:
(203) 277-5477
Network Assistance:
(203) 277-5464

Corporate Employee Relations:
Phone: (203) 277-6585

Corporate Security:
Emergency: (203) 277-2000

**Department Human Resources
Representative:**
(See your Manager.)
Name _____
Phone _____
Location _____

**Department Payroll
Representative (DPR):**
(Listed on top of your paystub.)
Name _____
Phone _____
Location _____

**Employee Assistance Program
(EAP):**
Phone: 1-800-628-4243

**Employee Health Services
(Home Office)**
Phone: (203) 954-CARE
Location: Home Office, 4 GS

General Information:
(203) 277-3011
Hearing Impaired TDD users:
(203) 954-0531
Escort Service - Home Office
(203) 277-3011
Location: 1 GS

Health and Safety Issues:
Phone: (203) 277-6051

Internal Security:
(203) 277-5119
(800) 437-2834

PIMS Coordinator:
(See your Manager.)
Name _____
Phone _____
Location _____

**References or Employment
Verification:**
Phone: (203) 954-3908
Location: 1 Tower Square -
Payroll, 3PB Hartford, CT 06183

Sexual Harassment
(See your Manager, Human Resources
Representative, or call:
Employee Relations (203) 277-6585)

Taking Care Program:
Phone: (203) 954-8566
Location: Home Office,
1-800-842-8597
LL1-SHS

TIC Infoline:
Phone: 1-800-TIC-8597

**Transportation, Parking and
Commuting (Home Office):**
Phone: (203) 954-2890
Location: Home Office

**Travelers Home Office
Operator:**
Phone: (203) 277-0111
Location: 1 Tower Square,
Hartford, CT 06183

**Travelers Managed Disability
Service:**
Phone: 1-800-842-0104
Hearing Impaired TDD users:
1-800-842-0106

The provisions of this Handbook pertain to all employees of Travelers Insurance Companies other than individuals employed by Transport Life Insurance Company, The Gulf Insurance Company, and Primerica Financial Services.

Appendix "B"

Travelers Dispute Resolution Procedure

Travelers is committed to fair and equitable employment practices. We recognize that misunderstandings or conflicts can and do arise in the course of daily business relationships. While most situations resolve themselves naturally, there are times when an employee may wish to seek review of an employment-related action or decision. The Dispute Resolution Procedure is an impartial process by which employees may request resolution of any employment-related concern.

■ Step 1

Employees are encouraged to first discuss informally any concern they have with their immediate manager prior to initiating a formal review. However, if this discussion is not successful from the employee's point of view, the concern should be submitted in writing within thirty (30) days of the incident to their manager with a copy to their Human Resources Representative. The manager has twenty (20) working days to investigate the claim and respond to the employee in writing.

■ Step 2

If the employee is not satisfied with the response in Step 1, he/she may submit an appeal to the next level manager within ten (10) working days of receiving an answer from Step 1, with a copy to the Human Resources Representative. A written response is given to the employee within twenty (20) working days after the discussion.

■ Step 3

If the employee is not satisfied with the response in Step 2, he/she may submit an appeal to the appropriate Senior Manager in the business unit within ten (10) working days of receiving an answer from step 2, with a copy to the Senior Human Resources Manager in the business unit. The Senior Manager will consult with the Senior Human Resources Manager. At the conclusion of this step, the parties shall agree that all facts, evidence, information, etc. relating to the dispute have been brought forward. The Senior Manager shall issue a written response to the employee within twenty (20) working days after the discussion.

This procedure is subject to any applicable law or collective bargaining agreement.

■ **Step 4**

If the employee is not satisfied with the response in Step 3, he/she may submit an appeal to the Senior Vice President, Human Resources, within Travelers Insurance Company within ten (10) working days of receiving an answer from Step 3.

The employee will receive a written response within twenty (20) working days from receipt of the appeal. This step is the final level of appeal in the internal Dispute Resolution Procedure.

If the dispute is still not resolved, the employee is entitled to request arbitration in accordance with Travelers Arbitration Policy.

■ **Termination**

An employee may appeal a termination within thirty (30) days. The appeal will automatically progress to Step 3 of the process.

■ **Field Operations**

At times it may be impractical to arrange face-to-face meetings within the specified time limits of the program. In these circumstances, the Employee Relations Unit may make modifications to the process as necessary and appropriate.

■ **Exceptions**

The existing procedures for reporting alleged incidents of sex discrimination (including sexual harassment), racial discrimination, age discrimination, disability discrimination and other illegal forms of discrimination will remain in place to provide the maximum confidentiality and privacy. Such complaints may be raised directly to the department Human Resources Representative or to the Employee Relations Unit at (203) 277-6585.

■ **Summary**

This internal Dispute Resolution Procedure is a sequential process which stops whenever the individual bringing forward a perceived problem accepts a decision at one of the interim steps. Decisions concerning terminations, promotions and disciplinary actions are typical types of issues raised. This process ensures prompt, confidential resolution of such issues. Employees who wish to avail themselves of the process will not be subject to any retaliatory action by management.

NO DISCIPLINARY ACTION OR OTHER MANAGEMENT DECISION WILL BE POSTPONED AS A RESULT OF THE PRESENTATION OF A DISPUTE BY THE EMPLOYEE.

Manager levels and titles will be clarified by your individual operating unit.

TRAVELERS INC.
EMPLOYMENT ARBITRATION POLICY

A. STATEMENT OF INTENT

Travelers Inc. and its affiliates (referred to as "Travelers") value each of its employees and look forward to good relations with, and among, all employees. Occasionally, however, disagreements may arise between an individual employee and Travelers, or between employees in a context that involves Travelers. Travelers believes that the resolution of such disagreements will be best accomplished by internal dispute review and, where that fails, by arbitration conducted under the auspices of the American Arbitration Association. This is because private arbitration is generally quicker and less costly for all parties than litigation in state or federal courts. For these reasons, Travelers has adopted this Employment Arbitration Policy ("the Policy"). The Policy applies to all persons employed by Travelers on the date of its adoption (September, 1992) and all employees joining Travelers after that date.

This Policy does not constitute a guarantee that your employment will continue for any specified period of time or end only under certain conditions. Employment at Travelers is a voluntary relationship for no definite period of time, and nothing in this Policy or any other company document constitutes an express or implied contract of employment.

B. SCOPE OF THE POLICY

The Policy makes arbitration the required, and exclusive, forum for the resolution of all employment disputes that may arise (and which are not resolved by the internal dispute resolution procedure), including claims, demands or actions under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, and all amendments thereto, and any other federal, state or local statute, regulation or common law doctrine, regarding employment discrimination, conditions of employment or termination of employment. The Policy does not require that Travelers institute arbitration nor is it required to follow the steps of the Dispute Resolution Procedure before taking disciplinary action of any kind, including termination;

and no employee, in bargaining with the union, shall be required to accept any such (req. opt.)

and (sideboard board) of that.

however, if an employee disagrees with any such disciplinary action, he or she may institute proceedings in accordance with the Policy.

C. ARBITRATION RULES AND PROCEDURES

The following rules and procedures are based on, and largely incorporate, the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA"). Travelers has modified and expanded these rules and procedures in certain respects. In particular, provisions regarding fees and costs have been modified to provide that many of the costs typically shared by the parties will be borne by Travelers. In addition, provisions permitting limited discovery have been added to insure equal access to relevant information.

1. Initiation of Arbitration Proceeding

Travelers shall pay 100 percent in excess of twenty-five dollars (\$25) of the administrative fee required. Arbitration may be initiated by a written demand for arbitration submitted to the Senior Vice President, Human Resources, Travelers Inc. along with a check for \$25 payable to Travelers Inc. The demand shall set forth the claim, including the alleged act or omission at issue and the names of all persons involved in the act or omission. Within ten (10) business days of receiving such demand, Travelers shall file the demand with the appropriate office of the AAA, together with the applicable administrative fee as provided in the AAA's fee schedule.

2. Appointment of Neutral Arbitrator

The AAA shall appoint one neutral arbitrator from its Panel of Arbitrators, unless one party requests that a panel of three (3) arbitrators be appointed. In the event a panel of arbitrators is appointed, all decisions of the panel must be by a majority and the use of the word "arbitrator" in these Rules shall refer to the panel. The Arbitrator shall be appointed in the following manner:

(a) immediately after the filing of the demand, the AAA shall submit to each party an identical list of proposed arbitrators;

(b) each party shall then have ten (10) business days from the mailing date of the list to cross off any names to which the party objects, number the remaining names in order of preference and return the list to the AAA;

(c) if the party does not return the list within the time specified, all persons on the list shall be deemed acceptable; and

(d) the AAA shall invite arbitrators remaining on the list in the order of preference, to the extent the order of preference of the parties can be reconciled by the AAA.

In the event the parties fail to agree on any of the persons named, or if an acceptable arbitrator is unwilling to act, the AAA may issue additional lists or, at its option, make the appointment from among other members of its panel of arbitrators without submitting additional lists.

3. Qualifications of Neutral Arbitrator

No person shall serve as a neutral arbitrator in any matter in which that person has any financial or personal interest in the result of the proceeding. Prior to accepting appointment, the prospective arbitrator shall disclose any circumstance likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of such information, the AAA will either replace that person or communicate the information to the parties for comment. Thereafter, the AAA may disqualify that person and its decision shall be conclusive. Vacancies shall be filled in accordance with Rule number 2.

4. Vacancies

The AAA is authorized to substitute another arbitrator if a vacancy occurs or if an appointed arbitrator is unable to serve promptly.

5. Date, Time and Place of Hearing

The arbitrator shall set the date, time and place of the hearing, notice of which must be given to the parties by the AAA at least ten days in advance, unless the parties agree otherwise.

6. Representation

Any party may be represented by an attorney, a non-supervisory co-worker or by him or herself; however, if the employee chooses not to be represented by an attorney, Travelers shall waive its right to be represented by an attorney.

7. Attendance at Hearing

The arbitrator shall maintain the privacy of the hearings unless the law provides to the contrary. Any person having a direct interest in the arbitration is entitled to attend hearings. The arbitrator shall otherwise have the power to require the exclusion of any witness, other than a party or other essential person, during the testimony of any other witness. The arbitrator shall determine whether any other person may attend the hearing.

8. Postponement

The arbitrator, for good cause shown, may postpone any hearing upon the request of a party or upon the arbitrator's own initiative, and shall also grant such postponement when all of the parties agree thereto.

9. Oaths

Before proceeding with the first hearing, each arbitrator may take an oath of office and, if required by law, shall do so. The arbitrator may require witnesses to testify under oath administered by any duly qualified person and, if it is required by law or requested by any party, shall do so.

10. Stenographic Record

There shall be no stenographic record of these proceedings unless either party requests it. In the event a party requests a stenographic record, that party shall bear the cost of such a record. If both parties request a stenographic record, the cost shall be borne equally by the parties.

11. Proceedings

The hearings shall be conducted by the arbitrator in whatever manner will most expeditiously permit full presentation of the evidence and arguments of the parties. Normally, the hearing shall be completed within one day. In unusual circumstances and for good cause shown, the arbitrator may schedule an additional hearing to be held within five business days.

12. Arbitration in the Absence of a Party

Unless the law provides to the contrary, the arbitration may proceed in the absence of any party or representative who, after due notice, fails to be present or fails to obtain a postponement. An award shall not be made solely on the default of a party. The arbitrator shall require the party who is present to submit such evidence as the arbitrator may require for the making of the award.

13. Discovery

Each party shall be entitled to propound and serve upon the other party one set of interrogatories in a form consistent with the Federal Rules of Civil Procedure and which shall be limited to the identification of potential witnesses. Each party shall be entitled to propound and serve upon the other one set of Requests for the Production of Documents in a form consistent with the Federal Rules of Civil Procedure and which shall be limited in number to twenty-five (25) requests (including subparts, which shall be counted separately). Additionally, each party shall be entitled to conduct two (2) days of depositions of witnesses or of the parties in accordance with the procedures set forth in the Federal Rules of Civil Procedure.

14. Evidence

The arbitrator shall be the judge of the relevance and materiality of the evidence offered, and conformity to legal rules of evidence shall not be necessary.

15. Evidence by Affidavit and Filing of Documents

The arbitrator may receive and consider the evidence of witnesses by affidavit, but shall give it only such weight as the arbitrator deems it entitled to after consideration of any objection made to its admission. All documents to be considered by the arbitrator shall be filed at the hearing. There shall be no post-hearing briefs.

16. Closing of Hearing

The arbitrator shall ask whether the parties have any further proofs to offer or witnesses to be heard. Upon receiving negative replies, or if satisfied that the record is complete, the arbitrator shall declare the hearing closed and the minutes thereof shall be recorded.

17. Reopening of Hearing

The hearing may be reopened on the arbitrator's initiative, or upon application of a party, at any time before the award is made. The arbitrator may reopen the hearing and shall have fourteen (14) days from the closing of the reopened hearing within which to make an award.

18. Waiver of Procedures

Any party who proceeds with the arbitration after knowledge that any provision or requirement of these procedures has not been complied with, and who fails to state objections thereto in writing, shall be deemed to have waived the right to object.

19. Time of Award

The award shall be made promptly by the arbitrator unless otherwise agreed by the parties or specified by law. The arbitrator shall be instructed to make the award within thirty (30) days of the hearing or as soon as possible thereafter.

20. Award

A. Form. The award shall be in writing and shall be signed by the arbitrator. If either party requests, the arbitrator shall issue an opinion in writing, which shall set forth in summary form the reasons for the arbitrator's determination. All awards shall be executed in the manner required by law.

B. Scope of Relief. The arbitrator shall be governed by the rule of law of the state where the employee worked as well as taking note of applicable Federal law as submitted by the parties and shall be bound by Travelers policies and procedures. Furthermore, the arbitrator should have no authority to alter or otherwise modify the parties' at will relationship. The arbitrator shall have the power to award, in appropriate circumstances, money damages in an amount sufficient to compensate the aggrieved party for such direct injury as the arbitrator determines such party has suffered. The arbitrator shall have the authority to order reinstatement of employment to an employee only if money damages are insufficient as a remedy. The arbitrator shall not have the authority to award punitive damages to either party, to make any award that is arbitrary and capricious, to award injunctive relief of any nature or to award to Travelers the costs of the arbitration that it is otherwise required to bear under the Policy.

21. Delivery of Award to Parties

Parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail, addressed to a party or its representative at the last known address via certified mail, return receipt; personal service of the award; or the filing of the award in any manner that is permitted by law.

22. Enforcement

The decision of the arbitrator may be enforced under the terms of the Federal Arbitration Act (Title 9 U.S.C.) and/or under the law of any state. If the decision is not completely enforceable, final and binding, it shall be enforced and binding on both parties to the extent permitted by law. Even if a part of this procedure is held to be void or unenforceable, the remainder of the procedure will be enforceable and any part may be severed from the remainder, as appropriate.

23. Judicial Proceedings and Exclusion of Liability

A. Neither the AAA nor any arbitrator in a proceeding under these procedures is a necessary party in judicial proceedings relating to the arbitration.

B. Parties to these procedures shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

24. Expenses

In order to make available to its employees these arbitration procedures, The Travelers or its Affiliate shall pay 100 percent in excess of twenty-five dollars (\$25) of any administrative fee required by the AAA if an employee or former employee files under these procedures. The expenses of witnesses for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. All other expenses (except Postponement Fees or Additional Hearing Fees) of the arbitration, such as required travel and other expenses of the arbitrator (including any witness produced at the direction of the arbitrator), and the expenses of a representative of AAA, if any, shall be paid completely by Travelers and Affiliates. If the arbitration proceeding continues more than one day, the incremental expenses of the additional days shall be borne equally by the parties. This allocation of expenses may not be disturbed by the arbitration award.

25. Serving of Notice

Any parties, notices, or process necessary or proper for the initiation or continuation of an arbitration under these procedures, for any court action in connection therewith, or for the entry of judgment on an award made under these procedures may be served on a party by mail addressed to the party or its representative at the last known

address or by personal service, in or outside the state where the arbitration is to be held, provided that reasonable opportunity to be heard with regard thereto has been granted to the party. The AAA and the parties may also use facsimile transmission, telex, telegram, or other written forms of electronic communication to give the notices required by these procedures, provided that such notice is confirmed by telephone or subsequent mailing to all affected parties.

26. Time Period for Arbitration

Any proceeding under this procedure must be brought within one year of the act or omission giving rise to the controversy.

27. Amendment or Termination of Arbitration Policy

From time to time the Policy may be amended. Such amendments may be made by publishing them in the Employee Handbook or by a separate release to employees.

28. Interpretation and Application of Procedure

The arbitrator shall interpret and apply these procedures insofar as they relate to the arbitrator's powers and duties. All other procedures shall be interpreted and applied by the AAA.